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COMMERCE FOR A/S PADILLA, A/S FOULON

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SUBJECT: HIGHLIGHTS OF UAE EXPORT CONTROL LAW

REF: Abu Dhabi 679

¶1. (U) Summary: The following cable represents post's informal assessment of highlights of the UAE's draft law on export and import controls. The law was approved on April 24, 2007 by the UAE's Federal National Council (FNC). The law, includes definitions and the following four chapters: chapter 1: General Rules; Chapter 2: Regarding export and re-export of strategic commodities and related technology and means; chapter 3: penalties; and Chapter 4: Final Rules. End Summary.

Chapter One: General Rules

2.(U) Chapter One of the law stipulates that UAE competent authority can ban or restrict import, export, re-export, transit or temporary shipment of any commodity for certain reasons such as risk to public safety and health, environment, natural resources, and national security or any other reasons regarding the country's foreign policy. The law aims also to unify procedures in all seven emirates.

¶3. (U) The law stipulates the creation of a National Control Committee for Import, Export and Re-export (NCCIER). This Committee is to be headed by a representative from the UAE Ministry of Economy and includes representatives from Ministries of Defense, Finance and Industry, Interior, Foreign Affairs, Justice, Energy, Health, Environment and Water, the Department of State Security, Federal Customs Authority (FCA), Federal Environmental Authority (FEA), General Secretariat of Municipalities (GSM) and three representatives from private sector. (Note: This is a separate committee from the committee controlling strategic commodities below. End Note.)

¶4. (U) The National Control Committee for Import, Export and Re-export shall coordinate with concerned authorities regarding regulations and provide technical consultancy in order to prevent damage to state interests or violations of international agreements of which the UAE is a party or signatory. The National Control Committee may study recommendations and suggestions raised by UAE concerned entities and submit them to the Minister of Economy. The Committee has to coordinate with the 'National Committee for Control on Strategic Commodities,' conduct procedures, establish conditions and requirements for issuance of licenses, fee collections, submit semi-annual reports to the Minister of Economy, and any other assignments as may be decided upon by the UAE Cabinet.

Chapter Two: Export and Re-export of Strategic Commodities and Related Technology and Means

¶5. (U) The law bans and restricts persons from import, export, re-export, transit, or temporary shipment of strategic commodities and related technology stipulated in the annex to the law. The law bans and restricts the export of any document that contains

information related to strategic commodities. It bans leakage or publication of any related technology that can be accessible to persons in foreign countries. The law also bans any person from export, re-export or transit of any commodity or document, not stipulated in the law annex, if the person knows such commodity or document to be used in any related activity or if the person had been informed by the National Committee for Control on Strategic Commodities (NCCSC). The law also bans commodities not mentioned in the Law Annex, but that have been decided on by NCCSC. (Note: We understand that the annex is an Arabic translation of the annex used by Singapore. End Note.)

¶6. (U) The law bans persons from intermediation or negotiation in deals that facilitate the conclusion of contracts involving concerned commodities or if persons are in doubt that such a contract may lead to transference of strategic commodities from one country to another. The law also bans dealing with doubtful documents, and disclosing relevant information.

¶7. (U) The law stipulates setting up a National Committee for Control of Strategic Commodities (NCCSC). This Committee is to be headed by a representative from the UAE Ministry of Foreign Affairs with representatives from Ministries of Defense, Finance and Industry, Interior, Economy, Energy, Health, The Department of State Security, Federal Civil Aviation Authority (FCAA), Federal Customs Authority (FCA), Federal Environmental Authority (FEA), Federation of Chambers of Commerce and Industry (FCCI), and representatives from the free zones of each emirate.

¶8. (U) The NCCSC has the authority to create enforcement regulations, licensing, follow-up control and inspection operations, to receive grievance applications and to coordinate with 'the National Control Committee for Import, Export and Re-export Control,' and also coordinate the preparation of semi-annual reports

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to be submitted to the cabinet, and any other assignment to be decided by the UAE Cabinet.

¶9. (U) The law establishes an Executive Committee to handle the day-to-day work of the NCCSC. The Executive Committee will include technical and administrative staff. It will act as a contact point with government and non-government entities; it will receive applications for licensing, send notices, circulate the NCCSC's decisions to the concerned entities, provide secretarial services to the NCCSC, and undertake any other assignment decided upon by the NCCSC.

¶10. (U) The UAE Cabinet shall issue a bylaw to specify licensing, forms, licensing validity, conditions for approval and rejections of applications, records, and inspection conditions.

Chapter Three: Penalty

¶11. (U) The penalty stipulated for illegal exports of strategic goods is a minimum prison term of one year and a maximum fine of 500,000 dirham (approx USD 136,000), in addition to seizing the subject commodities/items. The competent authority may double penalties for repeat offenses.

Chapter Four: Final Rules

¶12. (U) This chapter deals with the responsibilities of UAE Government entities implementing this law. The law stipulates that the competent authority staff and other concerned entities, including the National Committee for Control of Strategic Commodities, are responsible for implementing the law. The law stipulates also that this law supersedes previous regulations and that every existing provision that contradicts or is contrary to this law shall be null and void.

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